



Budget Results Council
MEETING NOTES
February 4 & 5, 1998
Forrestal Building
Washington, D.C.

Attendees: Tom Baranouskas-PNNL, Eli Bronstein-EM, Ralph Delorenzo-ER, Jeffrey Fernandez-LLNL, Bruce Hanni-Bechtel NV, Lyn Henderson-HQ, Tony Lane-DP, Jon Mathis-HQ, Brian Morishita-LMITCO/FMSIC, Terry Olsen- LMITCO, John Pesocolido, SRO, Chuck Roy-NE, Betty Smedley-HQ
Unable to attend: Judy Penry-ORO
Facilitator: Maureen Gallen

INTRODUCTIONS/ROUNDTABLE PERSPECTIVES EXPRESSED

- The problem is not with the budget process but with people making decisions.
- Council should look at the maximum utilization of resources.
- General concern for improving the budget process.
- Look at special projects, e.g., uncosted balances.

REVIEW OF THE BUDGET RESULTS COUNCIL CHARTER

- Part of the reason for the BRC is based upon the efforts of the Budget Steering Group.
- Although successful in some areas, the BRC recognizes the need to focus on smaller issues.
- The Hackett Group benchmarking which was sponsored by FSMIC indicated that the budgeting effort was 5X that of commercial entities benchmarked by THG.
- Recognized that the major programs need to have permanent membership on the BRC.
- The BRC will utilize the services and capabilities of the FMSIC Clearinghouse.

MIKE TELSON, CFO-DOE/HQ

- Spotty budget process around the department – some good and some bad.
- Recommended the use of the BRC as a means to start discussions for answering questions re cost/benefits of the various phases of the budgeting process and outyear planning. Currently, we do not have enough information for the basis of making recommendations to the OMB



GENERAL COMMENTS

- No link between planning and budgeting process. Planning process has asked for too much detail and has assumed budgeting characteristics. Overall budgeting process works and changes need to focus on the outer edges of the process rather than completely overhauling it.
- Planning and budgeting out of sync. Requests from the Policy office are not always value added.
- Need to look at some of the elements of the DOD budgeting process.
- Budget and accounting is not satisfying the customer – need to show outcomes or output.
- Numerous requests are made that the customer does not want. Need to coordinate with CFO office financial data requests made of the programs. Requests such as year 2000 budget call when 1999 numbers weren't available.
- Need to recognize the differences between the programs.
- Good front-end guidance required for the planning process.
- Need to brainstorm on how to get good year 2000 guidance.
- Small windows of time available for making decisions. Unreasonable deadlines issued by people who don't have the big picture. PBS being redone is an example of this.
- Difficult to identify a customer that is requesting the data requirements. Don't have a process in place except for the BRC for asking about reporting requirements.

ELECTION OF COUNCIL CHAIRPERSON

- Term length would be two years.
- Wanted both field and HQ perspective for the chair position. Decided to go with co-chairs of which one would serve a 1 year term and the other would serve a 2 year term.
- Lynwood Henderson was elected to serve the 1 year term and Jeffrey Fernandez will serve two years.
- Future chairs will serve for two years focusing on reports from subgroups. The charter will be revised to reflect the above changes.

MEETING SCHEDULE

- Will meet three times a year; late April/early May , September and mid February.
- The next BRC meeting is scheduled for April 29 at the Forrestal Building.
- All-Contractors Meeting. The BRC will have one but will wait until after the BRC meets a couple of times. Will try to piggyback on to the FMSIC All-Contractors Meeting.



DECISION MAKING

- Stay away from making a decision but rather conduct the analysis and forward recommendations to the CFO with accompanying rationale and dissenting points of view.
- Operating decisions will be made by the Council.

REPORTING PROTOCOL

- Establish agenda focusing on reports from subgroups. Provide reports in advance of BRC meetings.
- Review the list of priorities at each meeting. Need to examine secondary communication paths to ascertain the opinions from peers.
- Presentations need to be written and the Council must exercise care in the number of issues it is looking at focusing in on the top five issues.
- A decision was made to select one long and difficult task and several smaller ones.
- Need to develop a list of points of contacts and provide to Brian. Tom, Jeff, Bruce and Terry will help identify the POCs among the contractors. John and Judy will approach the field office CFOs.
- The FMSIC Clearinghouse will be used as a communication medium for the BRC and a BRC homepage will be developed.

MEMBERSHIP TENURE

- Council members agreed upon the following terms for membership on the BRC:
Hanni – 3 years
Delorenzo – 2 years
Olsen – 2 years
Baranouskas – 2 years
Fernandez – 3 years
Pesocolido – 3 years
Henderson – 3 years
Lane – 3 years
Bronstein – 3 years
Penry – 2 years
Roy – 2 years (can rotate among programs with this position)
Smedly and Mathis are permanent members of the BRC.
- A successor needs to be named to replace someone leaving the Council
- Substitutes vs. principals attending BRC meetings. A decision to go with principals only attending the BRC meetings.



MEETING LOCATIONS/MINUTES/COMMUNICATIONS

- Meetings will normally be held at HQ because of the number of HQ personnel on the Council.
- Mathis and Morishita will take care of the minutes and communication for the meetings.

VISION, OBJECTIVES, CRITERIA (Selection of BRC topics criteria)

- Consider topics which improve the image of and/or problems with the budget process.
- Need to determine whether or not the issue warrants the attention of BRC.
- Focus on cost effectiveness and workforce issues (benefits should clearly outweigh the costs).
- Primary focus on issues with immediate impact (<1 year).
- Address issues that result from some type of mandate.
- Need a mixture of long term and short term activities.
- Look for issues which have some type of payback.
- One of the first things the Council needs to do before undertaking a task is to identify who the customer or beneficiary is.
- Focus on issues within the control of the BRC.

The following is the initial listing of both the proposed Long Term and Short Term Task

LONG TERM TASKS (PROPOSED)

1. Develop ways to increase Budget Review Time -- Emphasis on Process and time, over developing skills
2. Look at Crosscuts -- Streamlining, consistency, volume, timing
3. Reformulate Budget Formulation/Break-out process sections/select piece/look for automation and other efficiencies, standard exhibits, targets, etc. Include Planning and Budgeting process.
4. Multi-program site funding -- examine funding processes and approaches -- Continue AdHoc/develop consistent approach/discontinue?
5. Institutionalize information requirements for budget type information
6. Assess volume/need for B&R Recasts



7. Re-engineer roles and responsibilities to share/co-op use of staff to get work done with fewer people, i.e. EM invites CFO analyst to assist in uncosted review.
8. Benchmark Financial Processes against other agencies, companies, etc.
9. Financial Policy for privatization and reindustrialization.
10. Work Authorization policies - 5700

SHORT TERM TASKS (PROPOSED)

1. Determine new EIS data types to be supplied
2. Establish Mechanism to Share Best Practices in Finance
3. Develop “opportunities” to improve budget review skills. (Training, rotations, co-op)
4. Streamline AFP process - automate/ paperless -- allotments and work authorizations simultaneous?
5. Program Guidance for formulation -- consistency, timing, coordination with whole program vs. pieces, CFO role, use of UNICALL, Follow-up on Appropriations results, Formats for FY 2000 finalized
6. Report on impact of limited funding system/obligational availability with consistent implementation. Due to Congress 10/1/98
7. GPRA/Performance Measures -- How is it going? Improvements needed/ sharing information -- align Planning and Budget processes and structures. How does GPRA relate to contracts/task orders, etc.
8. Develop flow of Budget Process products. Lock down scheduling. Identify choke points/prioritize needs.

TASKS SELECTED/CHAMPIONS/TIMING



PREPARE REPORT ON LIMITED YEAR APPROPRIATIONS - Final Product due 9/98

John Pescosolido (Champion)
Jeffrey Fernandez
FMSIC member for accounting perspective
Bruce Hanni
Terry Olsen
CFO HQ rep.(Lyn, Betty, or Budget Office rep)
Tony Lane

CHART FLOW OF BUDGET PROCESS -- PRODUCTS/DUE DATES/CHOKE POINTS

-- 3 year Planning, Formulation, Execution Process) Product ready for April/May BRC meeting

Eli Bronstein (Champion)
John Pescosolido (and/or other Field CFO rep)
Lyn Henderson (or Budget Office rep)
Ralph Delorenzo
Tony Lane
Jeff Fernandez
Bruce Hanni
Terry Olsen (or Idaho rep)
Richland Field Office rep
STREAMLINE AFP PROCESS - (due 6 - 9 months)

Tom Baranouskas (Champion)
Terry Olsen
Rep from Solar Program
Rep from Budget (Lyn Henderson, Paul Kelley or other)
Rep from EM (Eli to contact)
Rep from ER (Ralph to contact)

LONG TERM TASKS SELECTED FOR FURTHER SCOPING WORK



MULTI-PROGRAM SITE FUNDING - Scope out issues -- identify plan of attack for BRC effort -- take GPE Pilot into consideration

Judy Penry (Champion)
Jon Mathis
Edward Knuckles

BUDGET FORMULATION

John Pescosolido will flush out major elements in formulation process defining areas to be examined in future improvement efforts

BRAINSTORMING PROJECT -- Tony Lane to present more at 4/29 meeting.

2 Year appropriation with mid-cycle supplemental

Base commander concept - separate for each PSO by appropriation

B&R Structure and GPRA

Zipperless/seamless financial organization

STANDING ITEMS FOR BRC AGENDAS

- Report outs from working groups
- 1 hour think tank session

Other Action Items

Who	What
Betty	Collect additional information on FMSIC survey data
Betty/Lyn	Communication issue with STAT tables
Betty/Lyn	Lab and State tables - updating/improving accuracy



ACTION ITEM LIST

The following is a list of action items which came out of the last BRC meeting:

<u><i>Action</i></u> <u><i>Date</i></u>	<u><i>Lead</i></u>	<u><i>Due</i></u>
CONFIRM NEXT BRC MEETING DATE OF 04/29/98	All	ASAP
PREPARE REPORT ON LIMITED YEAR APPROPRIATIONS	Pesocolido	09/98
CHART (MAP) FLOW OF BUDGET PROCESS	Bronstein	Status at next meeting
STREAMLINE AFP PROCESS(Automation)	Baranouskas	(due 6 – 9 months)
MULTI PROGRAM SITE FUNDING (tbd)	Penry	Long term
BUDGET FORMULATION - DEFINE MAJOR ELEMENTS OF THE FORUMLATION PROCESS	Pesocolido	Next Meeting
"OUT OF THE BOX AGENDA ITEMS Meeting 2 Year appropriation with mid-cycle supplemental Base commander concept - separate for each PSO by appropriation B&R Structure and GPRA Zipperless/seamless financial organization	Lane	Next
Budget Benchmarking - Review Hackett study	Smedley	Next Meeting